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DEPARTMENT FOR NEA/MAG, COMMERCE FOR NATE MASON

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TAGS: [ECIN](#) [ECON](#) [EFIN](#) [ENRG](#) [EPET](#) [LY](#)
SUBJECT: QADHAFI ISSUES ANTI-CORRUPTION WARNING TO LIBYA'S WEALTHY

CLASSIFIED BY: Elizabeth Fritschle, Pol/Econ Chief, United States Embassy, DOS.
REASON: 1.4 (b), (d)

¶1. (U) Libyan leader Muammar al-Qadhafi recently issued a particularly stark warning against official corruption, calling on the wealthy to declare their holdings and income sources and "repent" for any ill-gotten gains. In a November 13 speech before the General Council for Planning broadcast live on state television, Qadhafi (known locally as, The Leader) used his self-declared position as a government "outsider" and leader of the Revolution to warn of a revolt by Libya's poor against the corrupt. He did so conjuring up vivid images of a popular uprising by Libya's underprivileged, complete with burning houses, farms and luxury automobiles. He warned that he was "still holding the safety valve, which if [he] let loose, it would lead to the country's explosion ~ They are only waiting a sign from me. If I tell them that I no longer hold the safety valve, you will see the country burning, and then we would not know when it [the fire] could be distinguished."

¶2. (U) Qadhafi's stark warning follows-on from his August 31 speech to mark the 37th anniversary of the coup d'etat that brought him to power. During the course of that speech, Qadhafi set a deadline of December 31 for the disclosure of annual income and personal assets on the part of a broad, but non-specific swath of Libyan citizens, including leaders in government, public companies and private business. This exhortation directly resulted in the passage of GPC resolution 395 in September, which established the "Verification Committee of the Transparency Declaration." This special committee, chaired by the Chief of the Libyan Supreme Court, has reportedly held a number of publicized meetings to finalize the necessary declaration forms and prepare for their receipt and processing. Qadhafi's November 13 speech served as a pointed reminder that only six weeks remain until the anticipated conclusion of this probe.

¶3. (C) Embassy Comment: Despite the dramatic rhetoric, it remains to be seen if the Qadhafi edict will be meaningfully implemented, and what if any impact it will have on Libya's wealthy citizens, particularly privileged members of his inner circle. Qadhafi has maintained his control by periodically "removing from favor" people who threaten his interests, or the interests of those who serve his current needs. This transparency initiative under the guise of good governance may be a way to "knock down" people who are judged to have expanded beyond their intended sphere of influence -- or individuals who have made themselves a regime liability through greed. Some have speculated that the "Revolutionary Committees," who opposed Libya's post 2003 opening to the west may be the target of the anti-corruption campaign. The country still is trying to recover from the socialist policies of the 70s and 80s when property was confiscated and businesses were expropriated through the work of revolutionary committees. Post has not been able to identify or speak with any members of the special "transparency committee" but will continue to seek out information about its deliberations.

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